GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA

STARRED QUESTION NO:246
ANSWERED ON:17.03.2008
CORPORATISATION OF RETAIL MARKET OF FRUITS AND VEGETABLES
Aaron Rashid Shri J.M.

Will the Minister of AGRICULTURE be pleased to state:

(a) whether most of the profit due to the farmers from the sale of their agriculture produce is being appropriated by the middlemen in the country;

(b) if so, the details thereof;

(c) the steps being taken by the Government to check this tendency and to allow maximum profit to the farmers;

(d) whether the production and retail market of fruits and vegetables is also being monopolised by the corporate sector leading to huge losses to farmers and retailers alike; and

(e) if so, the remedial steps taken by the Government in this regard?

Answer

MINISTER OF AGRICULTURE (SHRI SHARAD PAWAR)

(a) to (e): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF LOK SABHA STARRED QUESTION NO. 246 DUE FOR REPLY ON 17TH MARCH, 2008.

(a) & (b): The buying and selling of agricultural produce mostly takes place in the market yards where a number of market functionaries are participating in transactions. There are a number of intermediaries operating in the supply chain of agricultural produce to the retailers or processors or exporters, in the name of commission agents, traders, wholesalers, distributors, dealers etc. who retain their share in the consumer spending before determining prices which are passed on to the farmers. It has been observed that the number of intermediaries ranges from 6 to 8 in case of most of the agricultural produce. Studies indicate that the share of producers in consumer spending varies from 56% to 88% in foodgrains and 79 to 95% in pulses, 65 to 96% in oilseeds and 33 to 75% in case of fruit and vegetables.

(c): In order to facilitate better price realization by the farmers, Government has taken initiative to implement market reforms in agriculture. Government of India has, with a view to shortening of the supply chains and improving farmers` share in consumer spending, formulated a Model Agricultural Produce Market Regulation (APMR) Act and circulated to all the States/UTs in 2003 for making necessary amendments in their respective APMR Acts for bringing efficiency in the existing marketing system and allowing the private markets and development of alternative marketing channels, such as, direct marketing, contract farming, e-trading etc. To facilitate the implementation of the amended provisions, the Central Government has also formulated Model APMR Rules and circulated to the States/UTs for adoption in November, 2007. Government has launched a reform-linked scheme to develop/strengthen marketing infrastructure and has requested State Government to set up Terminal Market Complexes with suitable backward and forward linkages under the National Horticulture Mission, so that farmers get better farm returns through value addition and efficient marketing. Government has also permitted trading of agricultural commodities in futures market which is helping in stabilization of prices in the market and facililtatintg better price discovery. Various Commodity Exchanges have also initiated setting up of electronic spot exchanges for e- trading of agricultural commodities.

(d): No, Sir.

(e) Question does not arise.